Supreme Court, U.S.
FILED
JUN 2 1989
JOSEPH F. SPANIOL, JR.
CLERK

(3)

No. 88-1804

In The

Supreme Court of the United States

October Term, 1988

CBS INC.,

Petitioner,

v.

STEPHEN M. SILVERMAN,

Respondent.

OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BARRY I. FREDERICKS
(Counsel of Record)
GAIL K. LOGAN

LAW OFFICES OF BARRY I. FREDERICKS
Suite 1619
250 West 57th Street
New York, New York 10107
(212) 586-5042

Attorneys for Respondent
Stephen M. Silverman

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTIONS PRESENTED FOR REVIEW

1. Is the Second Circuit's conclusion that the express language of the Lanham Act, which provides that a trademark shall be deemed "abandoned" when its use has been discontinued with "intent not to resume," means that the mark shall be deemed abandoned when its use is not resumed within the reasonably foreseeable future, a correct reading of the Act?

2. Can a Petitioner, which in its counterclaim sought damages for trademark infringement under Federal statute, properly raise for the first time in its Petition, the issue of the applicability of State law to the instant proceeding?

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED FOR REVIEW i

TABLE OF AUTHORITIES iii

COUNTER-STATEMENT OF THE CASE 1

FACTUAL STATEMENT OF THE CASE 2

REASONS FOR DENYING THE WRIT 8

I. THE DECISION BELOW IS CONSISTENT WITH ALL PRIOR DECISIONS IN THIS AREA 8

A. The Prior Rulings Of This Court Cited By Petitioner Are Not Applicable To The Standard For Abandonment Of a Trademark Prescribed By The Lanham Act 8

B. There Is No Conflict Among The Circuits As To The Standard For Defining Trademark Abandonment In The Lanham Act 9

C. The Second Circuit's Decision Is Not New Law And Is Not Inconsistent With The Lanham Act 10

D. CBS' Non-Use Was Not A Result Of Any Outside Conditions 12

II. THIS PETITIONER CANNOT RAISE HERE FOR THE FIRST TIME THE QUESTION OF WHETHER THE DECISIONS BELOW ERRONEOUSLY APPLIED FEDERAL LAW TO QUESTIONS GOVERNED BY STATE LAW 13

CONCLUSION 14

TABLE OF AUTHORITIES

Page

CASES

AmBrit, Inc. v. Kraft, Inc., 805 F.2d 974 (11th Cir. 1986) 10

American Photographic Publishing Co. v. Ziff-Davis Publishing Co., 135 F.2d 569 (7th Cir. 1943) 10

Baglin v. Cusenier Co., 221 U.S. 580, 31 S.Ct. 669, 55 L.Ed. 863 (1911) 8

Defiance Button Machine Co. v. C&C Metal Products Corp., 759 F.2d 1053 (2d Cir.), *cert. denied*, 474 U.S. 844 (1985) 10

Ellis v. Dixon, 349 U.S. 458, 75 S.Ct. 850, 99 L.Ed. 1231, *reh. denied*, 350 U.S. 855, 76 S.Ct. 37, 100 L.Ed. 759 (1955) 13

E. Remy Martin & Co., S.A. v. Shaw-Ross International Imports, Inc., 756 F.2d 1525 (11th Cir. 1985), *reh. denied*, 765 F.2d 154 (11th Cir. 1985) 10

Exxon Corporation v. Humble Exploration Co., 695 F.2d 96 (5th Cir. 1983), *reh. denied*, 701 F.2d 173 (5th Cir. 1983) 10

Hiland Potato Chip Co. v. Culbro Snack Foods, Inc., 720 F.2d 981 (8th Cir. 1983) 10

Saratoga Vichy Spring Co. v. Lehman, 625 F.2d 1037 (2d Cir. 1980) 10

Saxlehner v. Eisner & Mendelsohn Co., 179 U.S. 19, 21 S.Ct. 7, 45 L.Ed. 60 (1970) 8, 9

TABLE OF AUTHORITIES – Continued

Page

STATUTES

Lanham Act (Federal Trademark Act of 1946) (15 U.S.C. §§ 1051 *et. seq.*)

Section 9 (15 U.S.C. §1059)..... 11

Section 43(a) (15 U.S.C. §1125(a)) 4, 13

Section 45 (15 U.S.C. §1127) ..... *passim*

OTHER AUTHORITIES

H. R. Rep. 4744, 76th Cong., 1st Sess. (1939)..... 9

H. R. Rep. 6618, 76th Cong., 1st Sess. (1939)..... 9

COUNTER-STATEMENT OF THE CASE

All of the radio scripts of the extremely popular Amos'n'Andy radio program series written between 1928 and 1948 are now in the public domain. In 1948, Petitioner CBS purchased the rights to Amos'n'Andy from its creators and continued the radio program until 1955. In 1951, CBS put Amos'n'Andy on television and after three years the program went into syndication. The reruns continued to be commercially distributed until 1964. In 1964, CBS voluntarily withdrew the television series from distribution and from that date forward has rejected any request for commercial exploitation of either the radio programs or the TV series. CBS has no present plans to commercially exploit the Amos'n'Andy programs at any time in the reasonably near future.

The Second Circuit, having been asked to review whether under the facts and circumstances of this case, CBS had abandoned its Amos'n'Andy trademark, concluded that since CBS had not used the mark for more than 21 years and had no present intent to resume use of said mark, CBS had abandoned its trademark. In reaching its conclusion, the Court of Appeals considered the language of Section 45 of the Lanham Act (15 U.S.C. §1127), which provides that a mark is abandoned "when its use has been discontinued with an intent not to resume." Recognizing that it would be virtually impossible to establish, from any objective circumstantial evidence, that the owner of a mark never intended to resume use of its mark, the Court of Appeals concluded that the phrase "intent not to resume" refers to an intent "not to resume use within a reasonably foreseeable future." The Court thus concluded that under the facts and circumstances of

this case, where Petitioner CBS had not used the mark for 21 years and had no present intention of using the mark within any reasonably foreseeable future time, CBS had under §45 of the Lanham Act in fact abandoned any trademarks it had in Amos'n'Andy.

The Second Circuit Court of Appeals' ruling is consistent with the decisions of the other Federal Circuit Courts which have considered this issue. Moreover, this Petition does not present any substantial Federal question for this Court's consideration.

FACTUAL STATEMENT OF THE CASE

From March 1928 through March of 1948 and thereafter, two entertainers, Freeman F. Gosden and Charles J. Correll, created and broadcast a radio program entitled "Amos'n'Andy." On August 19, 1948, Gosden and Correll assigned all of their rights in the Amos'n'Andy scripts and radio programs they had created, along with the goodwill that attached to their creations, to the Defendant-Petitioner, CBS. Under the assignment agreement, Gosden and Correll continued to create new Amos'n'Andy scripts for CBS, and CBS continued to broadcast the "Amos'n'Andy Show" on radio until 1955. From about 1951 until about 1953, an "Amos'n'Andy" show also appeared on the CBS television network as a regular series, and was broadcast thereafter intermittently as reruns and in non-network television syndication until 1964. In 1964, Amos'n'Andy were taken off the air, and to date Amos'n'Andy have been locked in the

archives of CBS, hidden away from the ears and eyes of the general public. (A.28.)

From February 1928 through March 1948, Messrs. Gosden and Correll registered copyrights in their own names for their radio scripts of "Amos'n'Andy." None of the copyrights in those scripts was renewed, and those copyrights therefore have expired. Accordingly, all of said radio scripts are presently in the public domain. (A.32-33.) For its part, CBS never registered or sought to register a trademark for the name "Amos'n'Andy" or for any of the Amos'n'Andy characters.

In 1981, the Plaintiff-Respondent Stephen Silverman began writing a script for a Broadway musical based on the Amos'n'Andy characters. In order to avoid potential litigation, he sought a license from CBS to use the Amos'n'Andy characters. The Defendant-Petitioner CBS refused Plaintiff-Respondent's request. (A.28.)

In 1984, Silverman filed an action in the Southern District of New York seeking a declaratory judgment (1) that the Amos'n'Andy radio programs broadcast from March 1928 through March 1948 were in the public domain and therefore he was free to use all or any part of these programs in connection with his project, and (2) that CBS had no rights in these programs either by way of common law copyright or trademark. Silverman also contended that CBS had abandoned any trademark rights it might have had in Amos'n'Andy since it had not used the Amos'n'Andy name for more than 20 years and had failed to prevent the use of the name and characters by others. (A.28.)

The Defendant-Petitioner CBS initially moved to dismiss Plaintiff-Respondent Silverman's Complaint for lack of a judicial controversy; however, when its Motion was denied, CBS asserted five Counterclaims, for (1) copyright infringement, (2) trademark infringement under Section 43(a) of the Lanham Act (15 U.S.C. §1125(a)(1982)), (3) common-law trademark and infringement, and unfair competition, (4) misappropriation of CBS' goodwill associated with the Amos'n'Andy trademarks, and (5) improper registration of one of Plaintiff-Respondent's scripts as an original work. (A.29-30.)

On April 15, 1986, the District Court granted Petitioner partial summary judgment and dismissed several of Petitioner's Counterclaims. (A.27 et seq.) In its opinion, the Court found that the scripts of the Amos'n'Andy radio shows broadcast from March 1928 through March 1948 were in the public domain. The Court also found that the Respondent had infringed on CBS' copyrights in the post-1948 Amos'n'Andy radio programs and the TV programs produced between 1951 and 1953. Respondent had contended that Petitioner CBS' copyrights in the TV shows were not valid, because (a) these shows, which were for the most part aired through stations not affiliated with CBS, were "bicycled" from one station to another and were not directly returned to CBS, which failed to exercise dominion and control over the shows, and (b) these early broadcasts of the works, made without appropriate copyright notice, constituted a "publication" without notice, thereby placing the works in the public domain. The District Court rejected Respondent's position, concluding that these acts did not constitute a

"publication." It therefore granted CBS summary judgment on the issue of copyright infringement. (The Second Circuit agreed with the Respondent's position, however, and remanded this issue to the District Court for further proceedings.)

Notwithstanding its finding, the District Court dismissed Petitioner's Counterclaims for copyright infringement based on the TV scripts, Petitioner's counterclaim for misappropriation of goodwill and dissolution of the mark, and Petitioner's claim for unfair competition. Further, without taking any evidence on the issue of the validity of CBS' claim to a trademark in the name and character of Amos'n'Andy, and without taking any evidence as to the public's acceptance and identification of Amos'n'Andy with CBS, the District Court assumed the validity of CBS' claimed trademark and directed a trial solely on the issue of whether or not CBS had abandoned said mark. (A.49-50.)

On the 23rd and 24th of April 1987, a bench trial was held in District Court on this single issue of whether or not under §45 of the Lanham Act Petitioner CBS had in fact abandoned its rights to a mark associated with Amos'n'Andy. On August 3, 1987, the Court rendered its opinion on this matter. (A.51 et seq.) The Court expressly found that the defendant "CBS has not exploited the Amos'n'Andy radio and television series and the trademarks associated therewith . . . for over twenty years" and that "CBS has not aggressively policed its copyrights or trademark rights." (A.54.) The Court also found that "CBS has no present plan to resume use of the Property at a specific time in the future, but wishes to keep this option open." (A.53.)

Notwithstanding these findings of fact, however, the District Court concluded that Petitioner CBS had not abandoned its mark. The District Court noted that the Amos'n'Andy TV series was withdrawn from syndication in 1964 because of civil rights protests by the NAACP, and although the District Court did not share CBS' view as to the "type of reception Amos'n'Andy would receive today," it concluded that this potential business problem justified CBS' total lack of use of the Amos'n'Andy mark. Thus, the District Court, apparently believing that the Amos'n'Andy mark developed by Gosden and Correll during the years of the radio program which was now in the public domain, and CBS' TV series based upon the Amos'n'Andy characters initially created by Gosden and Correll, were one and the same, accepted CBS' business decision not to permit the name or characters associated with Amos'n'Andy to appear before the public. Amos'n'Andy, already captive in the archives of CBS, and hidden from public view for more than 21 years, appeared destined, by the District Court's decision, to languish forever hidden from public view.

The Respondent appealed to the United States Court of Appeals for the Second Circuit. On February 6, 1989, the Court of Appeals affirmed part of the Order of the District Court and vacated that portion of the Order which dealt with the issue of the abandonment by the Petitioner CBS of its trademark in Amos'n'Andy. In its opinion, the Court of Appeals noted first that it was undisputed that CBS had not used the mark for more than 20 years, and that CBS had no present plans to resume the use of the mark within the reasonable near future. Concluding that CBS had not been endeavoring to

exploit its mark because of a lack of business opportunity, the Court noted that CBS had decided to "forego whatever business opportunities may currently exist in the hope that greater opportunities, unaccompanied by adverse public reaction, will exist at some undefined time in the future." (A.16.)

The Second Circuit then turned its attention to construction of §45 of the Lanham Act in conjunction with CBS' aforesaid long-term and continuing non-use of the mark and its lack of any current plan to use the mark within the foreseeable future. Noting that the Lanham Act expressly provided that a mark would be "abandoned" when its use had been "discontinued with intent not to resume," the Court focused on whether this phrase means "intent *never* to resume use, or does it merely mean intent not to resume use within the reasonably foreseeable future." (A.13.) Recognizing that if the relevant intent to be considered was an "intent never to resume use," it would be virtually impossible to establish such intent from circumstantial evidence, the Court of Appeals concluded that discontinued use with "intent not to resume within the reasonably foreseeable future" was the standard of conduct contemplated by Congress when it enacted the Lanham Act. (A.13.) The Second Circuit therefore concluded, from the undisputed facts of the case, that under the language of the Lanham Act, CBS had clearly abandoned its trademark. The Court of Appeals therefore vacated and set aside the decision of the District Court.

REASONS FOR DENYING THE WRIT

I. THE DECISION BELOW IS CONSISTENT WITH ALL PRIOR DECISIONS IN THIS AREA.

A. The Prior Rulings Of This Court Cited By Petitioner Are Not Applicable To The Standard For Abandonment Of A Trademark Prescribed By The Lanham Act.

Petitioner's reliance on this Court's decisions in *Saxlehner v. Eisner & Mendelsohn Co.*, 179 U.S. 19, 21 S.Ct. 7, 45 L.Ed. 60 (1970), and *Baglin v. Cusenier Co.*, 221 U.S. 580, 31 S.Ct. 669, 55 L.Ed. 863 (1911), which speak of an "intent to abandon" standard, is clearly misplaced. First, both of these cases were decided before the Lanham Act was enacted, and they therefore were not directed toward construing the intent of Congress as manifested in the provisions of the Lanham Act. Second, the standard for abandonment as expressed by the legislative enactment which is relevant herein is not, as the Petitioner suggests, phrased in terms of "intent to abandon." Rather, the Lanham Act expressly provides that a mark shall be deemed "abandoned" when its use has been discontinued with "intent not to resume." (15 U.S.C. §1127 (1982).) (A.12.)

The Second Circuit was well aware of this Court's early Opinion in *Saxlehner v. Eisner & Mendelsohn Co., supra,* when it decided the instant case of *Silverman v. CBS*. In fact, the Court of Appeals made specific reference in its Opinion to the fact that this Court had previously required proof of "intent to abandon," noting that this Court's Opinion had predated the Lanham Act. (Note 4, A.15.) The Second Circuit further commented that at the

time of the *Saxlehner* case, this Court was not concerned with construing the phrase "intent not to resume" contained in the Lanham Act, and therefore did not have to consider whether that phrase meant an "intent never to resume use" or an "intent not to resume use within the reasonable future." (A.15.) Respondent submits that the Second Circuit's view that the decisions of this Court predating enactment of the Lanham Act are not relevant to the case at bar.

Moreover, there is no support in the Lanham Act's history for Petitioner's argument that cases prescribing an "intent to abandon" standard should bear on the determination of whether CBS abandoned the Amos'n'Andy mark. As noted in the Second Circuit's Opinion, in enacting the Lanham Act Congress deliberately rejected the use of the phrase "intent to abandon," which was contained in an earlier version of the Act, *H. R. Rep.* 4744, 76th Cong., 1st. Sess. (1939); *H. R. Rep.* 6618, 76th Cong., 1st. Sess. (1939), in favor of the phrase "intent not to resume." In so doing, Congress clearly rejected the argument now advanced by Petitioner, and rendered inapplicable this Court's prior trademark rulings which precede the enactment of the Lanham Act.

B. There Is No Conflict Among The Circuits As To The Standard For Defining Trademark Abandonment In The Lanham Act.

The Petitioner's statements notwithstanding, there is no conflict among the Federal Circuits with respect to the meaning to be given to the provisions of §45 of the

Lanham Act. The Second Circuit's decision in this case is consistent with the decisions of the Fifth Circuit in *Exxon Corporation v. Humble Exploration Co., Inc.*, 695 F.2d 96 (5th Cir. 1983), *reh. denied*, 701 F.2d 173 (5th Cir. 1983); the Seventh Circuit in *American Photographic Publishing. Co. v. Ziff-Davis Publishing. Co.*, 135 F.2d 569 (7th Cir. 1943); the Eighth Circuit in *Hiland Potato Chip Co. v. Culbro Snack Foods, Inc.* 720 F.2d 981 (8th Cir. 1983); and the Eleventh Circuit in *AmBrit, Inc. v. Kraft, Inc.*, 805 F.2d 974 (11th Cir. 1986) and *E. Remy Martin & Co., S.A. v. Shaw-Ross International Imports, Inc.*, 756 F.2d 1525 (11th Cir. 1985), *reh. denied*, 765 F.2d 154 (11th Cir. 1985). No Circuit Court has taken a view contrary to that of the Second Circuit in this case.

The Petitioner's further contention that the Second Circuit's Opinion in this case is in direct conflict with that Court's own prior Opinion in *Saratoga Vichy Spring Co., Inc. v. Lehman*, 625 F.2d 1037 (2d Cir. 1980), is likewise unfounded. The Second Circuit's Opinion in *Saratoga* was written by Judge Newman, the author of the Second Circuit's Opinion in the instant case. Judge Newman has expressly stated that in his view, the Second Circuit's Opinion in *Saratoga*, as well as its prior Opinion in *Defiance Button Machine Co. v. C&C Metal Products Corp.*, 759 F.2d 1053 (2d Cir.), *cert. denied*, 474 U.S. 844 (1985), are consistent with and supportive precedent for its opinion in this case. (See A.15.)

C. The Second Circuit's Decision Is Not New Law And Is Not Inconsistent With The Lanham Act.

Petitioner recognizes that in Section 45, the Lanham Act provides that a mark shall be deemed to be abandoned, "when its use has been discontinued with the

intent not to resume." (15 U.S.C. §1127(a).) Petitioner suggests, however, that Section 1059 of Title 15, U.S. Code, which permits an owner of a mark to renew its registration if "non-use is due to special circumstances which excuse such non-use and is not due to an intentional abandonment of the mark," creates conflicts with the Second Circuit's decision in this case. Petitioner argues that the presence of the term "intentional abandonment of the mark" in Section 9 of the Lanham Act (15 U.S.C. §1059) is inconsistent with the Circuit Court's interpretation of the phrase the "intent not to resume," which is contained in Section 45 of the Act. (15 U.S.C. § 1127). There is no inconsistency between those sections, nor does the statute, as Petitioner would have this Court believe, create two different tests on the issue of "abandonment," one harsher (§1127), and one more lenient (§1059). What Petitioner fails to focus on is that as used throughout the Lanham Act, the phrase "abandonment of the mark," is a defined term, whose definition is set forth in Section 45 (15 U.S.C. §1127), which states that a mark shall be deemed "abandoned" when its use has been discontinued with an "intent not to resume." Thus, if Section 1059 is read, with substitution of the definition provided in the Act for the defined term "abandonment of the mark," it is apparent that there is no inconsistency. With such substitution, the Section then would read:

> "any non-use is due to special circumstances which excuse such non-use and is not due to any intention to [discontinue use of the mark with intent not to resume.]"

Thus, the Second Circuit's Opinion, holding that an "intent to resume" requires an "intent to resume within

the reasonably foreseeable future," is certainly consistent with the express language of the Lanham Act.

D. CBS's Non-use Was Not A Result Of Any Outside Conditions.

In its Opinion, the Second Circuit expressly stated as fact that Respondent CBS had made a conscious choice not to exploit the value of its mark because of its perception of a lack of relevant business opportunities. The Second Circuit also stated as fact that Respondent CBS had no plans to resume the use of the mark in the foreseeable future. (A.16.) It was the Circuit Court's view that CBS was willing to forego whatever business opportunities might currently exist in the hope that greater opportunities would exist at some undefined time in the future. (A.16-17.) Both the Court of Appeals and the District Court, then, concluded that CBS' failure to exploit its mark was the result of its own voluntary choice and actions.

It is undisputed that CBS voluntarily withdrew the Amos'n'Andy mark from commercial use; that CBS has not used the mark for more than 20 years; and that CBS has no intention to use the Amos'n'Andy mark within the reasonably foreseeable future. Thus, Petitioner in pursuit of its own business purposes abandoned the Amos'n'Andy mark. Its act of abandonment was quite voluntary and the result of a conscious business decision; although CBS' abandonment may possibly have been influenced by outside factors, its decision to abandon the mark was not the result of a lack of choice dictated by any outside factors. CBS' claim of social pressure is

merely its attempt to pass off a hardheaded business decision as some form of social or community service. However, as the Second Circuit noted, there is nothing in the Lanham Act "that makes the consequences of intent not to resume use turn on the worthiness of the motive for holding such intent." (A.17.) Furthermore, even accepting the Petitioners' interpretation of the cases which CBS cites in its Petition, said cases are not applicable to the facts presented by the instant case.

II. THIS PETITIONER CANNOT RAISE HERE FOR THE FIRST TIME THE QUESTION OF WHETHER THE DECISIONS BELOW ERRONEOUSLY APPLIED FEDERAL LAW TO QUESTIONS GOVERNED BY STATE LAW.

The Petitioner claims, for the first time, that the matter of its trademark rights should have been determined under State trademark law, not Federal trademark law. This issue was not raised in the motions and proceedings before the District Court nor was it raised in the briefs presented to the Second Circuit. Said issue is therefore not open to be raised for the first time in this petition for certiorari. *Ellis v. Dixon,* 349 U.S. 458, 75 S.Ct. 850, 99 L.Ed. 1231, *reh. denied,* 350 U.S. 855, 76 S.Ct. 37, 100 L.Ed. 759 (1955). Moreover, Petitioner in its counterclaims filed in the District Court sought to recover damages to trademark infringement under Section 43(a) of the Lanham Act (15 U.S.C. §1125(a)). (A.29.) Thus, Petitioner deliberately sought the protection of Federal law. Its present claim that State trademark law, not Federal trademark law,

should have been applied in the instant case is therefore totally without merit.

CONCLUSION

The Second Circuit's interpretation of the Lanham Act and its application of the Act to the facts of this case was consistent with the Act and with applicable prior decisions in this area. The Second Circuit's decision does not create a conflict with any other Circuit as to the standard for defining trademark abandonment under the Lanham Act. Petitioner's argument, raised here for the first time, that the issue of trademark abandonment should have been governed by State law, is not open for consideration by this Court, and is without merit.

The Petition, in short, should never have been brought before this Court. Respondent prays that this Court deny the Petition and decline to issue a writ of certiorari in this case.

Respectfully submitted,

/s/ Barry I. Fredericks
BARRY I. FREDERICKS
Attorney for Respondent
Stephen M. Silverman
Suite 1619
250 West 57th Street
New York, N.Y. 10107
(212) 586-5042

Of Counsel:

GAIL K. LOGAN